

# Joint Legislative Task Force on Improving State Funding for School Construction Final Report and Recommendations

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OFFICE OF PROGRAM RESEARCH

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# Task Force Members

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Rep Monica Stonier, Chair



Supt Flip Herndon



Sen Jim Honeyford



Sen Karen Keiser



Rep Vicki Kraft



Sen Jamie Pedersen



Rep Marcus Riccelli



Rep Mike Steele



Supt Paul Turner



Sen Hans Zeiger

# Section 7009, Chapter 298, Laws of 2018

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# Joint Leg Task Force on Improving State Funding for School Construction

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- Must Review:
  - Improvements to state financial assistance for K-12 school construction
  - Utilization of school spaces for multiple purposes
  - School design and construction approaches that support effective teaching and learning
  - Recent reports on school construction
- Must recommend a state school construction financial assistance program that:
  - Supports the construction and preservation of schools
  - Balances the state and local share of school construction and preservation costs considering local school districts' financial capacity

# Additional Recommendations

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- A methodology to project needs for state financial assistance over a ten-year period
- Measures of relative wealth of a school district
- Education specifications recognized by the state
- A capital asset model for K-12 school construction for:
  - New schools to accommodate enrollment growth
  - Major modernizations
  - Replacement and renewal of major building systems
  - Specialized facility improvements such as STEM and skill centers
- Alternative means to fund and accommodate increased classroom capacity

# Top Priorities – The Legislature should:

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1. Address the needs of rural school districts that cannot qualify for the School Construction Assistance Program (SCAP);
2. Adjust the Student Space Allocation (SSA) to reflect actual square footages per student;
3. Support reduced class sizes in kindergarten through third grades through school construction;
4. Consider providing school construction credit for schools used for other community services like early learning and health services;
5. Allow school districts to borrow money and issue bonds for school construction with approval of a simple majority of voters at bond elections;
6. Increase the Construction Cost Allowance (CCA) to reflect actual costs of school construction; and
7. Increase the minimum state Funding Assistance Percentage (FAP) from 20 percent to 30 percent.

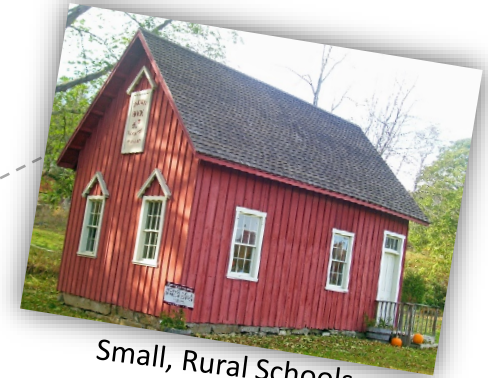
# K-12 Capital Demands



K-3 Class Size Reduction



Skills Centers & STEM



Small, Rural Schools



School Construction Assistance Program



Distressed Schools



Healthy Kids – Healthy Schools



Emergency Repair Fund



# 2017-19 K-12 School Construction

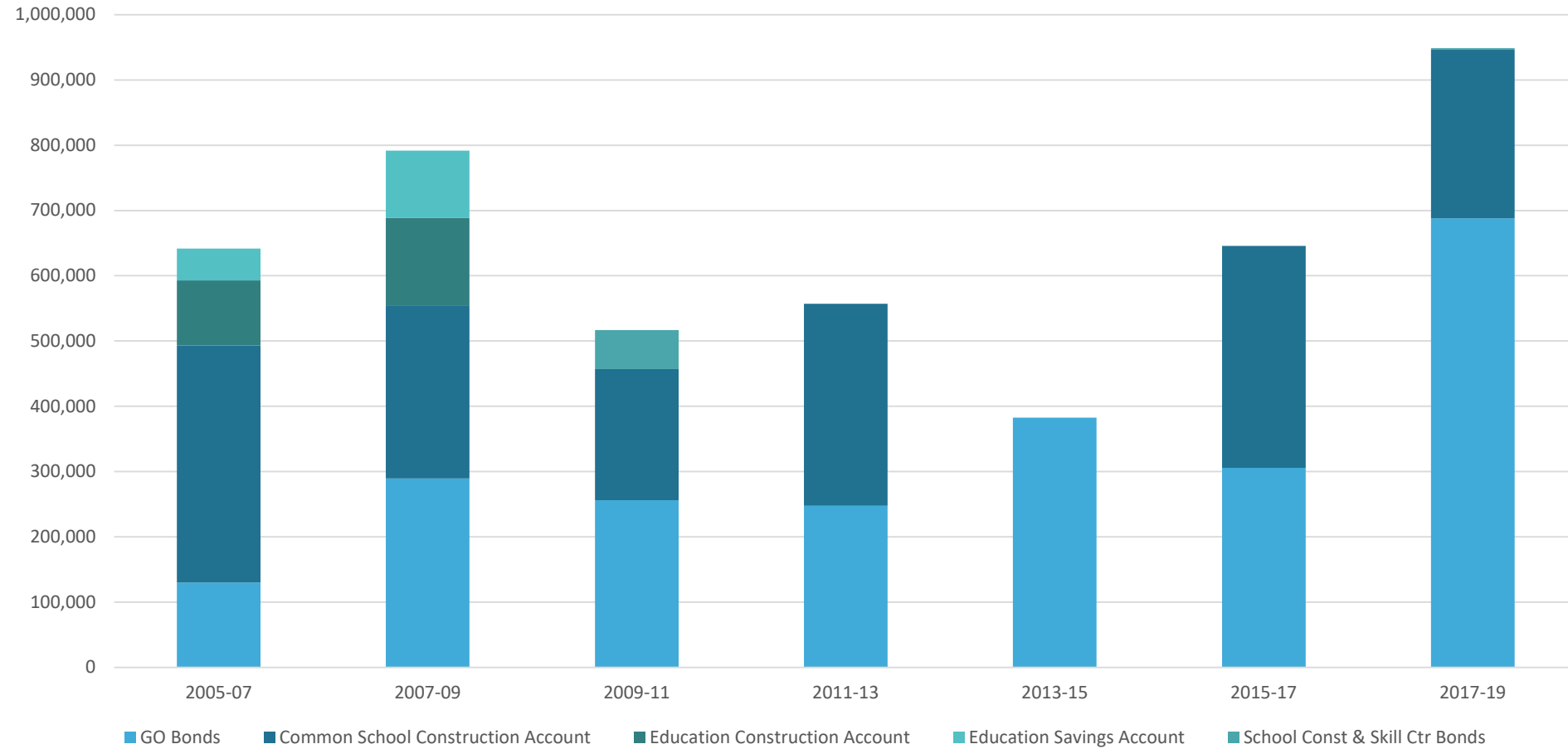
	(in Millions)	GO Bonds	Total Appropriation
School Construction Assistance Program		\$688.2	\$948.7
Small Rural District Grants		41.0	41.0
Distressed Schools		45.5	45.5
Career & Technical Education Projects			
Everett Pathways to Medical Education		2.0	2.0
Tri-Tech Skill Center		10.8	10.8
STEM Classrooms & Labs		13.0	13.0
Skill Center Minor Works, CTE Equipment Grants, & Agriculture Science Grants		1.8	5.8
Healthy Kids – Healthy Schools		0.0	3.2
Emergency Repairs & Equal Access Grants		4.0	6.0
Capital Program Administration		0.0	3.4
<b>TOTAL</b>		<b>\$806.3</b>	<b>\$1,079.4</b>



# School Construction Assistance Program

## State Funds Appropriated for School Construction by Fund Source

(Dollars in Thousands)



Source: Office of Program Research

# School Construction Assistance Program

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# What is the School Construction Assistance Program (SCAP)?

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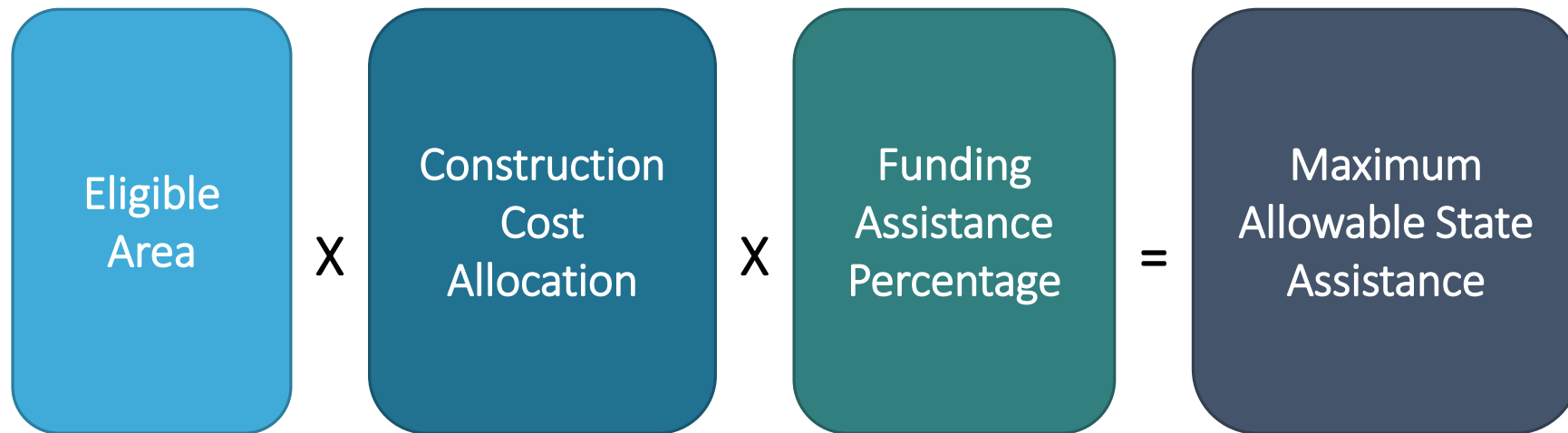
SCAP exists as a **partnership** between local school districts and the state.

SCAP provides state funding assistance for **new construction, modernization, and replacement** of school instructional space.

SCAP is designed to accommodate districts experiencing student **population growth** as well as to renovate or replace **aging** schools. These two factors as well as **bond election activity** are the major drivers of SCAP funding needs.

# How is state funding assistance calculated?

The amount of funding the state will approve for a proposed school construction project is determined by a **funding formula** that considers three factors:



In order to be eligible for state financial assistance, school districts must first secure **local funding**, typically through local **bond elections**.

Student Space Allocation  
(Square Footage Eligible for State Assistance)

Grade Span	Square Feet per Student
K-6	90
7-8	117
9-12	130
Students w/ Disabilities	144

Construction Cost Allocation  
(State's Recognized Construction Cost Per Square Foot)

Fiscal Year	Cost per Sq Ft
FY 2016	\$206.76
FY 2017	\$213.23
FY 2018	\$219.58
FY 2019	\$225.98

# What is the Funding Assistance Percentage (FAP)?

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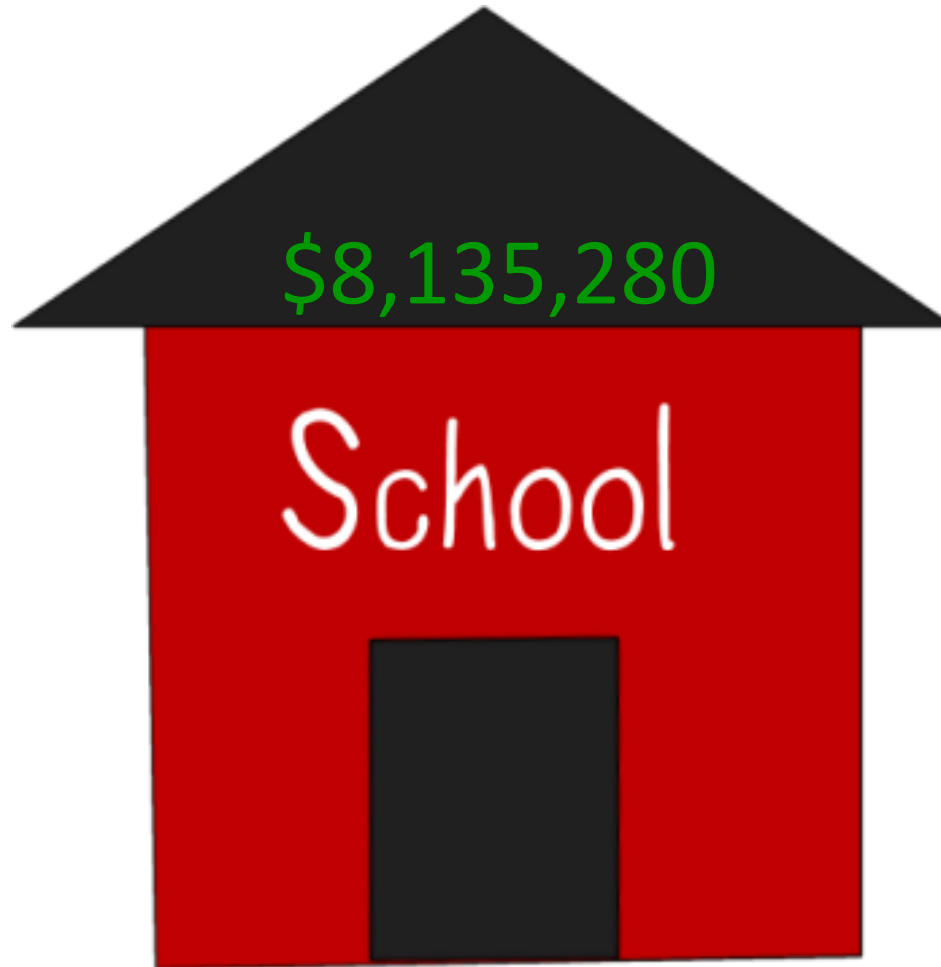
Minimum funding assistance percentage is **20%**, maximum **100%**.

Measured by **assessed property value** per student.

Districts experiencing rapid growth in student enrollments may receive extra **“growth points.”**

- FAP's **change from year to year** based on assessed valuation for each district.
- FAP will be highest of:
  - Date of bond issue passage;
  - Date of OSPI project approval; or
  - Authorization to open bids.

# Hypothetical Example of State Construction Assistance Funding Formula for K-12 Schools



400 Elementary School Students

X

90 Square Feet Per Student

=

36,000 Square Feet Eligible Area

X

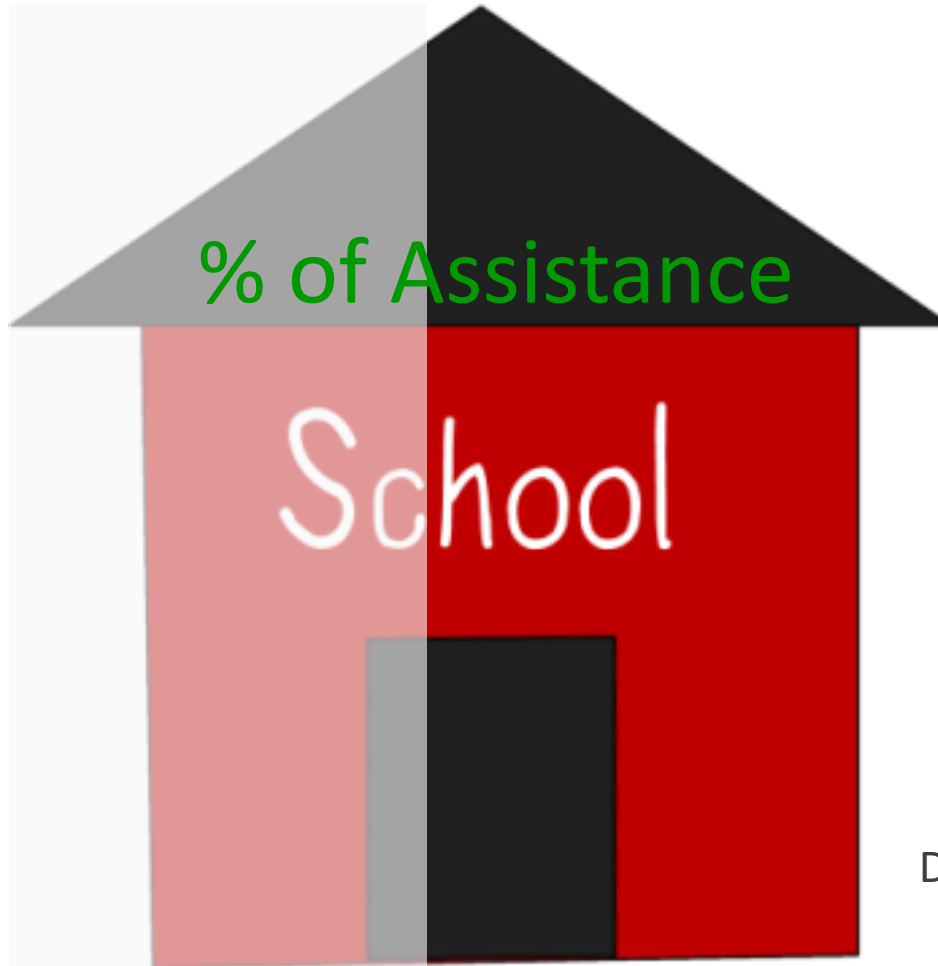
\$225.98 Construction Cost Allocation

=

\$8,135,280 of Eligible Project Cost



# Hypothetical Example of State Construction Assistance Funding Formula for K-12 Schools



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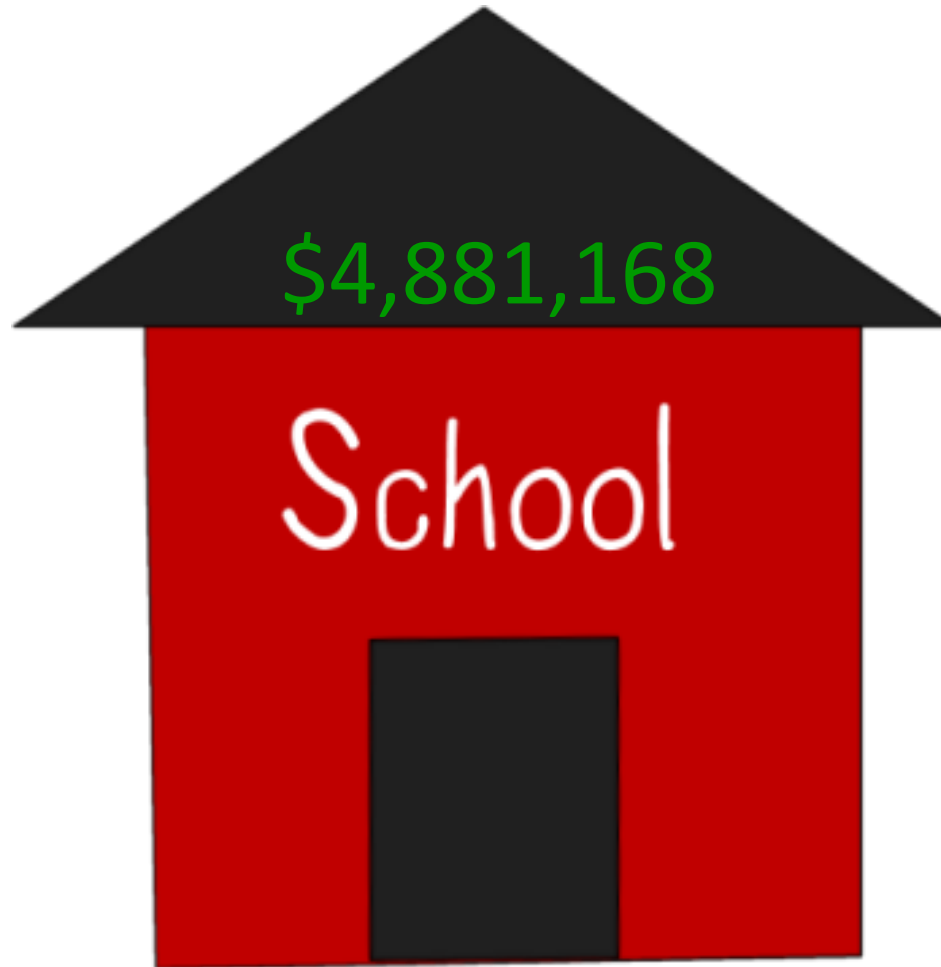
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District State Funding Assistance Percentage

Ex. Statewide Average = 60%

# Hypothetical Example of State Construction Assistance Funding Formula for K-12 Schools



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District State Funding Assistance Percentage

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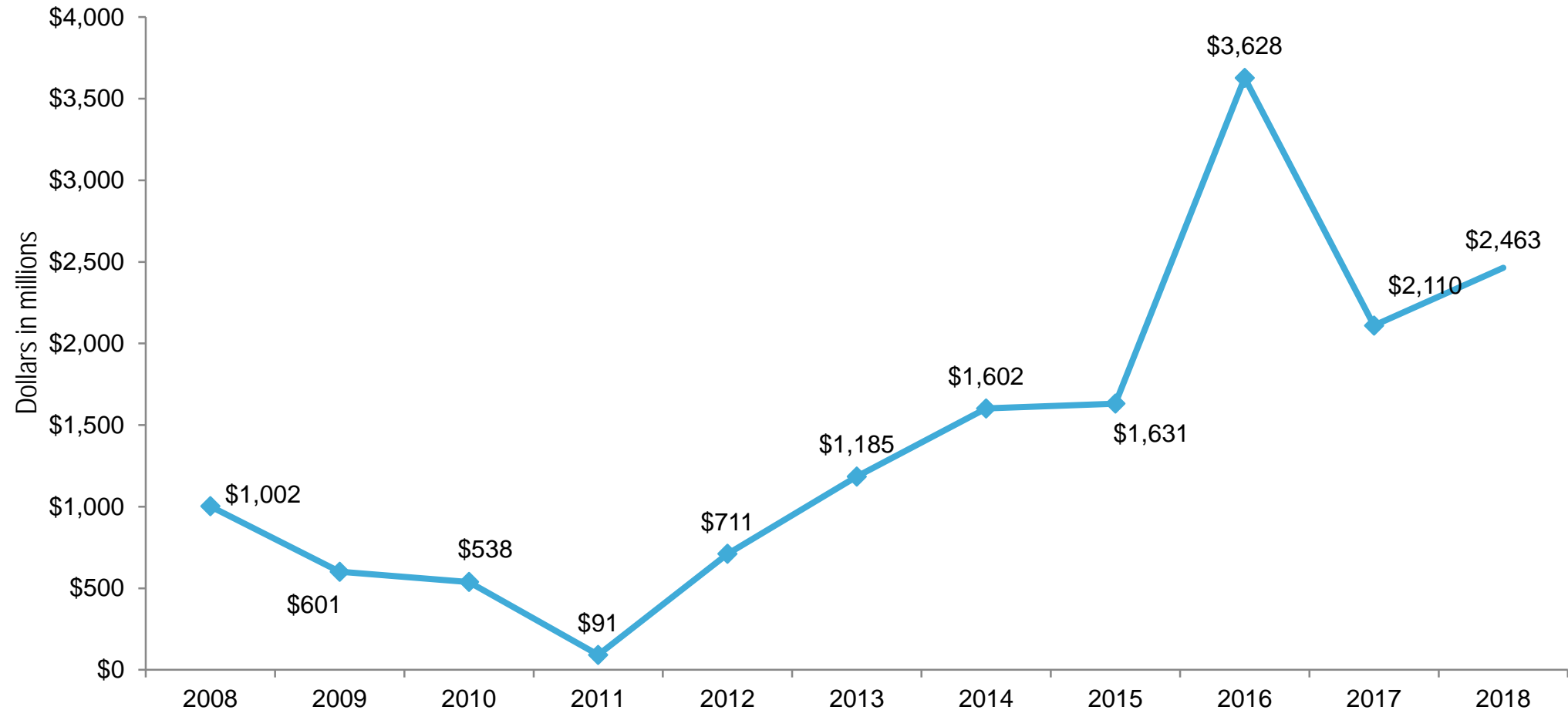
**\$4,881,168 of State Assistance**

# SCAP Funding Drivers

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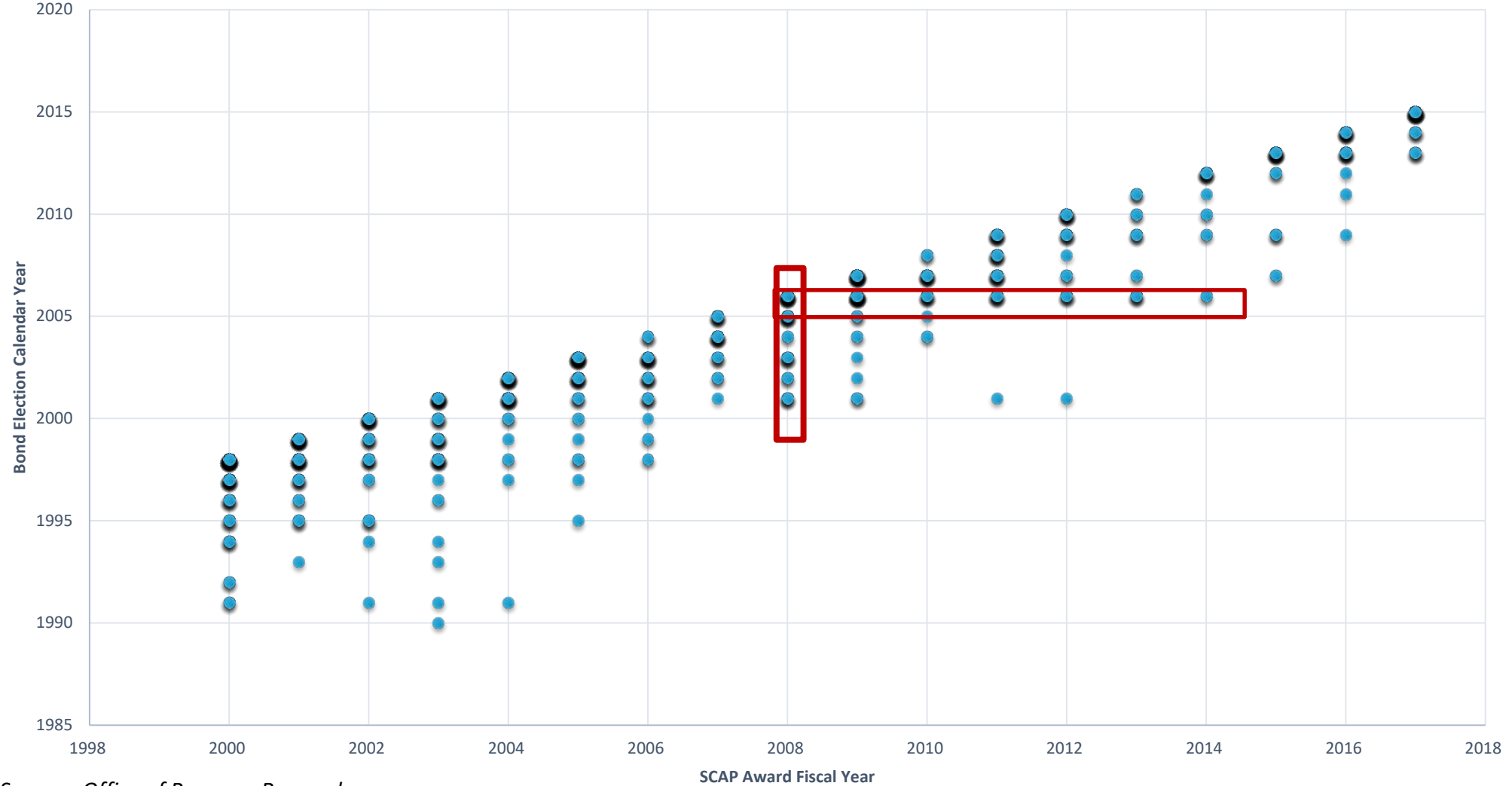
# K-12 Public School Construction

## *Local School Bond Passages*

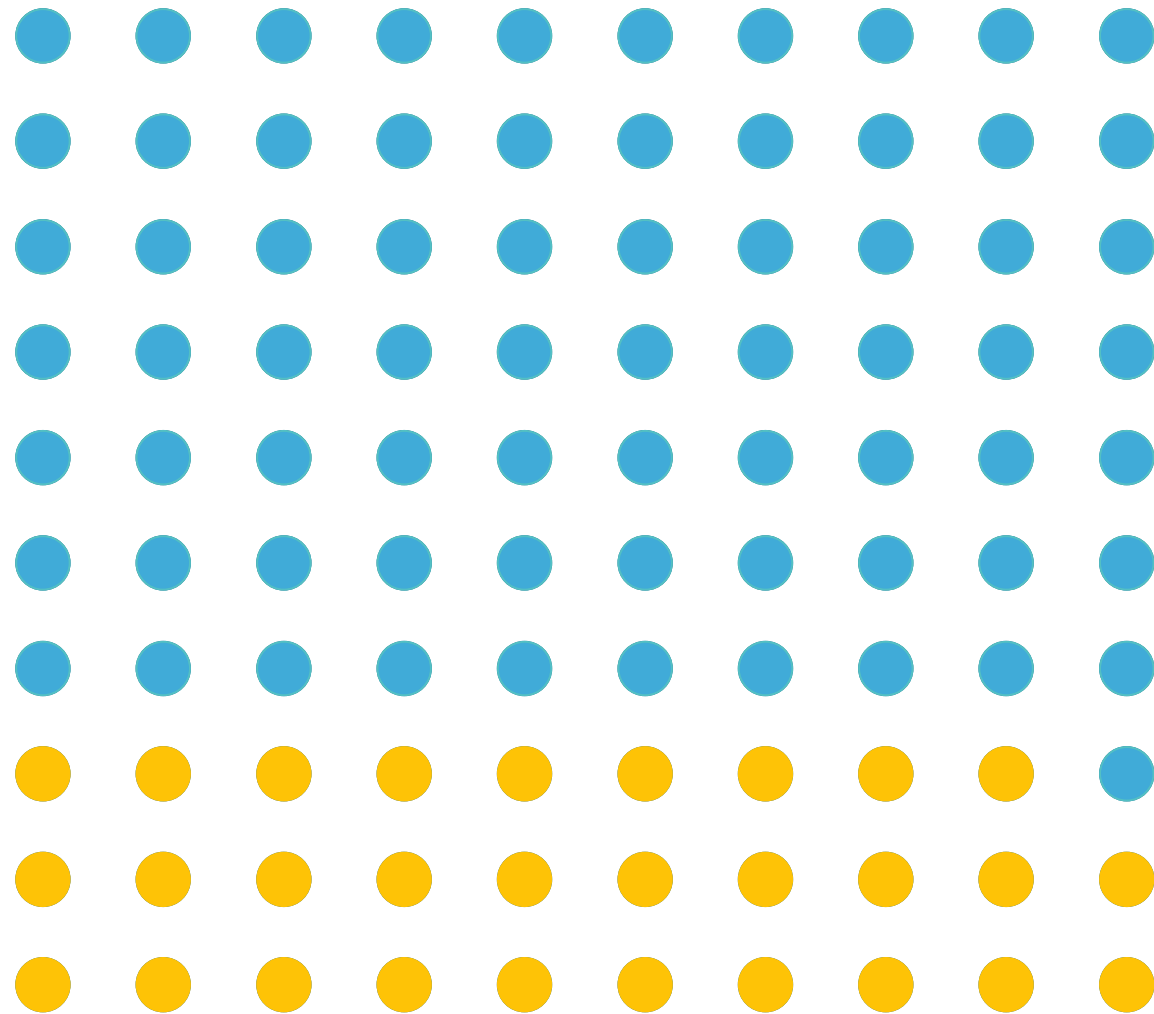


Source: OSPI School Financing Elections Data & Office of Program Research

School Bond Elections Impact SCAP For Years  
*Beginning Two Fiscal Years following Election Year*



Source: Office of Program Research



In the last ten years

71%

of failed school bond  
elections would have  
passed by simple  
majority

*Source: Office of Program Research*

# What are the three types of construction?

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## New Construction – Enrollment Growth

- Builds **new schools** to accommodate “unhoused students” in a growing school district.
- **Unhoused students** are calculated based on space standards set in the Student Space Allocation.

## Modernization – Aging Buildings

- Schools must be at least **20 years old** if built prior to **1993**.
- Schools built after **1993** must be at least **30 years old**.
- Costs of the project must also exceed 40 percent of the replacement cost.

## New-in-Lieu – Aging Buildings

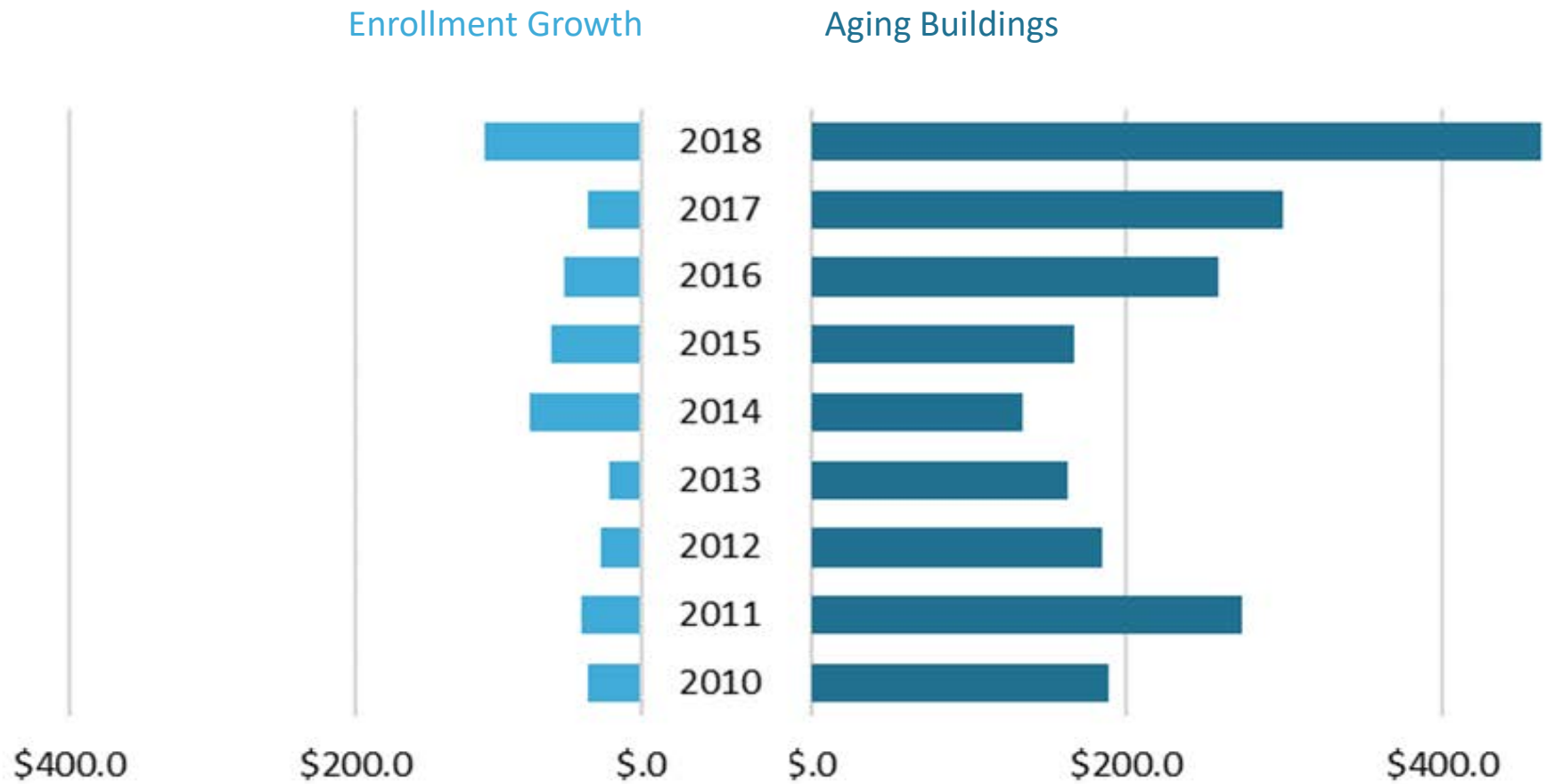
- Subject to the same criteria as modernization.
- **Replacement** of existing buildings when more **cost effective** than modernizing.



## State Funding Assistance for School Construction

2010-2018 Project Release

(Dollars in Millions)



Source: Office of Program Research

# Grant programs to support state priorities

Small Rural District Support ----



Small, Rural Schools



Agricultural Science in Schools



K-3 Class Size Reduction



All Day Kindergarten

----- Reduced Class Sizes & ADK

Community Use of School Facilities ----



Early Learning Facilities in Schools

# Task Force Recommendations

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# Other Considerations – The Legislature should consider:

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- Creating a plan for future square footage formulas using the prototypical school model;
- Finding a way to allow school districts to plan school construction with more accurate student counts and changing state support;
- Promoting and expanding health and safety in schools;
- Removing negative impact of modular buildings on SCAP funding; and
- Removing policy disadvantages for school renovation, including preserving historic buildings.

Questions?

# Photo Sources

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[https://www.dodea.edu/edSpecs/upload/20170208\\_V5\\_ES.pdf](https://www.dodea.edu/edSpecs/upload/20170208_V5_ES.pdf)

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<http://www.k12.wa.us/SchFacilities/pubdocs/SchoolFacilitiesManual2011.pdf#Chapter6>

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<http://leg.wa.gov/house/representatives/Pages/default.aspx>

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[https://www.google.com/search?q=superintendent+flip+herndon+image&rlz=1C1GCEU\\_enUS825US825&tbm=isch&source=iu&ictx=1&fir=-LcDrT5xsBJ0eM%253A%252CjHIBVQf5uSUy-M%252C\\_&usg=AI4\\_-kRgkUVnYqd6DoTYkyoepFUJWC0Twg&sa=X&ved=2ahUKEwi8q8rU7e3fAhWoslQKHbXSCmMQ9QEwAHoECAQQBA#imgsrc=-LcDrT5xsBJ0eM:](https://www.google.com/search?q=superintendent+flip+herndon+image&rlz=1C1GCEU_enUS825US825&tbm=isch&source=iu&ictx=1&fir=-LcDrT5xsBJ0eM%253A%252CjHIBVQf5uSUy-M%252C_&usg=AI4_-kRgkUVnYqd6DoTYkyoepFUJWC0Twg&sa=X&ved=2ahUKEwi8q8rU7e3fAhWoslQKHbXSCmMQ9QEwAHoECAQQBA#imgsrc=-LcDrT5xsBJ0eM:)

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[https://www.google.com/search?q=superintendent+paul+turner+image&rlz=1C1GCEU\\_enUS825US825&tbm=isch&source=iu&ictx=1&fir=Qib4ApGDpRyPuM%253A%252CovIVEGMccuDnFM%252C\\_&usg=AI4\\_-kQvUsXgmHbhrUVP9gMDglOy7Xw1uQ&sa=X&ved=2ahUKEwjD\\_5GE7u3fAhXnwVQKHWZKDXcQ9QEwAHoECAYQBA#imgsrc=Q0tH1olg86B0HM:](https://www.google.com/search?q=superintendent+paul+turner+image&rlz=1C1GCEU_enUS825US825&tbm=isch&source=iu&ictx=1&fir=Qib4ApGDpRyPuM%253A%252CovIVEGMccuDnFM%252C_&usg=AI4_-kQvUsXgmHbhrUVP9gMDglOy7Xw1uQ&sa=X&ved=2ahUKEwjD_5GE7u3fAhXnwVQKHWZKDXcQ9QEwAHoECAYQBA#imgsrc=Q0tH1olg86B0HM:)

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<https://www.commerce.wa.gov/?s=early+learning>